

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP

1440 NEW YORK AVENUE, N.W.

WASHINGTON, D.C. 20005-2111

TEL: (202) 371-7000

FAX: (202) 393-5760

DIRECT DIAL
(202) 371-7007
DIRECT FAX
(202) 371-7956
EMAIL ADDRESS
KGROSS@SKADDEN.COM

FIRM/AFFILIATE OFFICES

BOSTON
CHICAGO
HOUSTON
LOS ANGELES
NEWARK
NEW YORK
PALO ALTO
SAN FRANCISCO
WILMINGTON

BEIJING
BRUSSELS
FRANKFURT
HONG KONG
LONDON
MOSCOW
PARIS
SINGAPORE
SYDNEY
TOKYO
TORONTO

January 6, 2000

Via Hand Delivery

Lawrence M. Noble, Esq.
General Counsel
Federal Election Commission
999 E Street, NW
Washington, D.C. 20463
Attn: Albert Veldhuyzen, Esq.

Re: MUR 4955 – Metropolitan Life Insurance Company
Employees' Political Participation Fund A and
Robert C. Tarnok, as Treasurer

JAN 6 4 42 PM '00

RECEIVED
FEDERAL ELECTION
COMMISSION
OFFICE OF GENERAL

Dear Mr. Noble:

This is in response to the Federal Election Commission's ("FEC's" or "Commission's") letter, dated December 22, 1999, notifying Metropolitan Life Insurance Company Employees' Political Participation Fund A ("MetLife PAC") and Robert C. Tarnok, as Treasurer, of the Commission's finding of reason to believe. In particular, the Commission claims that there is reason to believe that MetLife PAC did not use its best efforts to comply with the Audit Division's recommendations to either (1) locate approximately 53% of allegedly missing payroll deduction authorization forms for payroll deductions received during the audit period (1995 and 1996) or (2) obtain new confirmation authorization forms from those payroll deductees. This letter responds to the allegation and enclosed is a Designation of Counsel authorizing us to file this response.

The Audit Division recommended in its October 1998 Interim Audit Report that MetLife PAC should, within thirty (30) days, either locate the missing payroll deduction authorization forms which were the subject of the audit or obtain written confirmations from the payroll deductees stating they signed the form. Because we firmly believed that the recordkeeping requirements under 11 C.F.R.

Lawrence M. Noble, Esq.
January 6, 2000
Page 3

expected to receive and acknowledged that it would take a few months to complete this confirmation process. See id.

By the end of the confirmation process, which was approximately October 1999, MetLife PAC had mailed a total of 483 confirmation letters to all current and former contributors who contributed through payroll deductions (including those who started contributing after the end of the audit period, i.e., 1995 and 1996) and for whom authorization forms could not be located. Each confirmation letter also requested verification of the current amount of deduction if the individual was still a contributor to MetLife PAC. A sample of the request for confirmation letters that were sent and a copy of the responses received are enclosed. The initial confirmation mailing occurred on June 30, 1999 with a second confirmation mailing on August 31, 1999 for those who failed to respond to the first confirmation mailing. These two mailings were made in addition to the original written request for the authorization at the time of solicitation. As a result of this confirmation process, MetLife PAC now has authorization forms or confirmations for 90% of those who contributed through payroll deductions during the audit period. Please note that it took significant time to complete the confirmation process because of the difficulty in locating former employees, drafting the confirmation request letters to properly address the concerns of the Audit Division, and the follow-up required to obtain the confirmations. Indeed, MetLife PAC was not able to obtain confirmations for 100% of contributors due to certain contributors' death and the inability to locate or obtain responses from certain former employees.

Moreover, as an additional safeguard, MetLife PAC has instituted procedures under which copies of payroll deduction authorization forms are maintained by the Treasurer's Unit in addition to the Human Resources Department maintaining the original forms. The Treasurer's Unit also receives a monthly report detailing all payroll deductions for MetLife PAC and reviews the report for additions or changes and verifies that copies of new forms are received if there are any such changes or additions. The procedures require that these originals and copies of the Authorization Forms be maintained indefinitely while an individual is contributing through payroll deduction to MetLife PAC and for at least three (3) years after an individual ceases contributing and his or her contribution is reported to the FEC.

Lawrence M. Noble, Esq.

January 6, 2000

Page 2

§ 104.14(b) do not apply to payroll deduction authorization forms in that they are not delineated in the rule, MetLife PAC submitted a response to the Interim Audit Report challenging the Audit Division's findings on this basis. This belief was supported by the Commission staff in an oral conversation. Responding to the Interim Audit Report in this manner was the only way for MetLife PAC to have this legal issue decided as part of the audit process.

After the Commission rejected this legal challenge in its February 1999 Final Audit Report, MetLife PAC ceased the legal challenge and in close consultation with the Audit Division, took detailed steps to comply with the Audit Division's recommendation to obtain confirmations from contributors whose payroll deduction authorization forms were missing. This is contrary to the Factual and Legal Analysis' claim that MetLife PAC did not make even one written effort to comply with these recommendations. Thus, it appears that due to the misunderstanding described below, this matter has now escalated from a simple recommendation in an audit report to an enforcement action.

Indeed, in April 1999, Robert Tarnok initiated periodic discussions with Henry Miller, the FEC auditor, updating Mr. Miller regarding the extensive steps that MetLife PAC was taking to comply with the Audit Division's recommendations. During those conversations, Mr. Tarnok informed Mr. Miller that MetLife PAC would comply with the Audit Division's recommendations by mailing letters requesting contributors to confirm their payroll deductions. See Enclosed Affidavit of Robert Tarnok (a copy of the affidavit is enclosed and the original will be forthcoming). They also discussed the specifics regarding this mailing, including the categories of individuals to whom the confirmation letter should be sent. Mr. Tarnok told Mr. Miller that it would be impossible to achieve 100% compliance since many of the confirmation request letters would have to be sent to former employees. Mr. Miller recognized this difficulty and stated to Mr. Tarnok that MetLife PAC needed only to achieve an "acceptable" level of compliance. In fact, pursuant to Mr. Miller's guidance as to what level of compliance would be "acceptable," MetLife PAC sent out a second mailing seeking confirmation from those who did not respond to the first confirmation mailing. Mr. Miller also instructed Mr. Tarnok to give the FEC a call when he believed that he had received all the confirmations that he

Lawrence M. Noble, Esq.

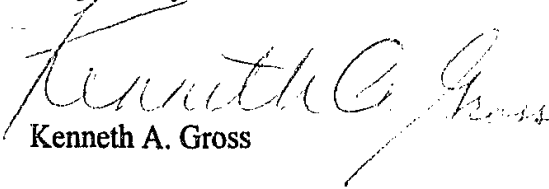
January 6, 2000

Page 4

After completing these steps to comply with the Audit Division's recommendations, Mr. Tarnok, pursuant to Mr. Miller's instructions, called Mr. Miller in mid-October 1999 and left him a voicemail message informing him that the confirmation process was complete. Having received no response from Mr. Miller, Mr. Tarnok called Mr. Miller again in December 1999 and left him another message. Mr. Miller returned this second call and stated that this was no longer an Audit Division matter but an Office of the General Counsel matter. Please note that based on his discussions with Mr. Miller prior to this December 1999 conversation, Mr. Tarnok understood that after completing the confirmation process, the next step would be for the FEC to review the confirmations to determine if they were adequate.

While it is true that MetLife PAC initially challenged the Audit Division's request for payroll authorization forms on the grounds that the FEC rules do not specify that such forms be maintained, this matter has progressed to this point because the Commission was either not aware or had not yet had the opportunity to review the extensive efforts undertaken by MetLife PAC to satisfy the Audit Division's recommendations. This response amply demonstrates that MetLife PAC, in consultation with the Audit Division, did, in fact, use "best efforts" in complying with the Audit Division's recommendations and FEC regulations. Again, the expectation was that the Audit Division would review these efforts by examining the request for confirmation letters and the responses. Thus, the Commission should take no further action.

Respectfully submitted,


Kenneth A. Gross

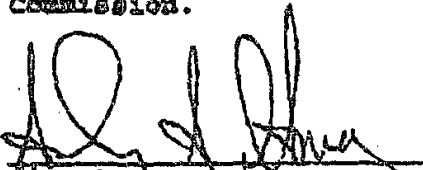
Enclosures

STATEMENT OF DESIGNATION OF COUNSELMUR 4955

NAME OF COUNSEL: Ken Gross
ADDRESS: Skadden Arps
1440 New York Ave N.W.
Washington, D.C. 20005 - 2111
TELEPHONE: 202 - 371 - 7007

The above-named individual is hereby designated as my counsel and is authorized to receive any notifications and other communications from the Commission and to act on my behalf before the Commission.

12/23/99
Date


Signature

RESPONDENT'S NAME: Anthony D'Amore
ADDRESS: Metropolitan Life Insurance Company
Law Department 6D
New York, NY 10010
HOME PHONE: _____
BUSINESS PHONE: 212 - 578 - 2156

JAN-05-00 13:58 FROM:SKADDEN ARPS

ID:2023717989

PAGE 2/3

**FEDERAL ELECTION COMMISSION
AFFIDAVIT OF ROBERT C. TARNOK**

I, ROBERT C. TARNOK, under the penalty of perjury, state that:

1. I am the Treasurer of the Metropolitan Life Insurance Company Employees' Political Participation Fund A ("MetLife PAC").
2. In April 1999, I started to have periodic discussions with Henry Miller, the FEC auditor, updating Mr. Miller regarding the steps that MetLife PAC was taking to comply with the Audit Division's recommendations to either locate certain missing payroll authorization forms or to obtain new confirmations from contributors stating that they signed the form. It took some time to have the initial discussion with Mr. Miller because we had to first confirm that we could not locate the original authorization forms in question.
3. During those discussions, I told Mr. Miller that given that MetLife PAC could not locate the missing payroll deduction authorization forms, it had decided to obtain confirmations from those payroll deductees by mailing them a letter requesting such confirmation. I also informed him that we would extend the mailing to cover new members subsequent to the audit period (i.e., 1995 and 1996) to ensure that we were as current as possible with the authorization forms. The confirmation letters also request that current contributors, for whom a payroll authorization form is missing, confirm their current level of participation in MetLife PAC. I told Mr. Miller that it would be impossible to achieve 100% compliance since many of the confirmation request letters would have to be sent to former employees. Mr. Miller recognized this difficulty and stated that MetLife PAC needed only to achieve an "acceptable" level of compliance. Pursuant to Mr. Miller's guidance as to what level of compliance would be "acceptable," MetLife PAC sent out a second mailing seeking confirmation from those who did not respond to the first confirmation mailing. Mr. Miller also acknowledged that it would take a few months to complete the initial mailing and follow-up. When asked about any further communications that we had to make to the FEC, he told me to give the FEC a call when we received all the confirmations that we expected to receive. He informed me that the Audit Division would then review these confirmations. I understood from this that the next step would be for the FEC to review the confirmations to determine if they are adequate and that we were not required to file a written submission.

JAN-05-00 13:59 FROM:SKADDEN ARPS

ID:2023717989

PAGE 3/3

4. As part of this confirmation process, we sent out 483 letters on June 30, 1999 and second requests (for non responses) on August 31, 1999. We ultimately received 396 responses (82.4%) which, together with the original payroll deduction forms that we were able to locate, cover approximately 90% of payroll deductions. As I informed Mr. Miller, completing the confirmation process took significant time because of the difficulty in locating former employees, drafting the confirmation request letters to properly address the concerns of the Audit Division, and the follow-up required to obtain the confirmations. MetLife PAC was not able to obtain confirmations for 100% of contributors due to certain contributors' death and the inability to locate or obtain responses from certain former employees.
5. At the end of this confirmation process, in mid-October 1999, I called Mr. Miller, pursuant to his instructions, and left him a voicemail message informing him that the confirmation process was complete. Having received no response from Mr. Miller, I called him again in December 1999 and left him another message. Mr. Miller returned this second call and talked to my associate Maria D'Antonio-Iadevaia and informed her that this was no longer an Audit Division matter but an Office of the General Counsel matter. Mr. Miller also stated during that conversation that although MetLife PAC is not required to make a written submission to the Office of General Counsel, MetLife PAC should submit a written response to that Office summarizing MetLife PAC's efforts.

Robert C. Tarnok
ROBERT C. TARNOK

Sworn to before me this
6 day of January, 2000.

Barbara E. Ruder
Notary Public

BARBARA E. RUDER
Notary Public, State of New York
No. 30-4773244
Qualified in Bronx County
Certificate Filed in New York County
Commission Expires Sept. 30, 2002